

109TH CONGRESS
2D SESSION

H. R. 6230

To authorize the Secretary of Energy to make energy consumption reduction incentive payments to encourage the utilization of the best available technology in the development of desalination facilities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 2006

Mr. HALL introduced the following bill; which was referred to the Committee on Resources

A BILL

To authorize the Secretary of Energy to make energy consumption reduction incentive payments to encourage the utilization of the best available technology in the development of desalination facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Desalination Energy
5 Consumption Reduction Act of 2006”.

6 **SEC. 2. DEFINITIONS.**

7 For purposes of this Act:

1 (1) QUALIFIED DESALINATION FACILITY.—The
2 term “qualified desalination facility” means a facil-
3 ity that—

4 (A) produces for sale to domestic cus-
5 tomers desalinated seawater, brackish ground-
6 water, or surface water whose source water is
7 greater than 1000 milligrams per liter total dis-
8 solved solids;

9 (B) is owned or operated by—

10 (i) a State or any political subdivision,
11 agency, authority, or instrumentality of a
12 State;

13 (ii) an Indian tribe; or

14 (iii) a corporation responsible for pro-
15 viding municipal water service pursuant to
16 State or tribal law;

17 (C) is first used to produce commercial
18 desalinated water for sale during the 10-year
19 period beginning on October 1 of the first fiscal
20 year occurring after the date of enactment of
21 this Act; and

22 (D) uses the best available technology as
23 determined by the Secretary.

24 (2) INDIAN TRIBE.—The term “Indian tribe”
25 has the meaning given that term in section 4(e) of

1 the Indian Self-Determination and Education Assist-
2 ance Act (25 U.S.C. 450b(e)).

3 (3) SECRETARY.—The term “Secretary” means
4 the Secretary of Energy.

5 (4) STATE.—The term “State” means the sev-
6 eral States, the District of Columbia, Puerto Rico,
7 American Samoa, the Virgin Islands, Guam, and the
8 Northern Mariana Islands.

9 **SEC. 3. DESALINATED WATER ENERGY CONSUMPTION RE-**
10 **DUCTION INCENTIVE PAYMENTS.**

11 (a) INCENTIVE PAYMENTS.—The Secretary shall
12 make incentive payments in an amount determined under
13 subsection (d) to the owners of qualified desalination fa-
14 cilities to encourage the utilization of the best available
15 technology to reduce the consumption of electrical energy
16 in the desalination process.

17 (b) AGREEMENT; DEADLINE.—The Secretary may
18 not make any payment to the owner or operator of a
19 qualified desalination facility under this section unless, not
20 later than the end of fiscal year 2018, the Secretary enters
21 into a written agreement with the owner or operator to
22 make such payment.

23 (c) PAYMENT PERIOD.—The Secretary may make
24 payments to the owner or operator of a qualified desalina-

1 tion facility under this section for a period not to exceed
2 10 years—

3 (1) beginning on the date on which the facility
4 is first used to produce desalinated water; and

5 (2) ending not later than September 30, 2028.

6 (d) AMOUNT OF PAYMENT.—

7 (1) IN GENERAL.—Payments made by the Sec-
8 retary under this section to the owner or operator of
9 any qualified desalination facility shall be based on
10 the amount of electrical energy conserved by the fa-
11 cility below the benchmarks included in the formula
12 established under paragraph (2) during the payment
13 period described in subsection (c), adjusted as pro-
14 vided in paragraph (3).

15 (2) BASE PAYMENT.—The Secretary shall es-
16 tablish a formula for making incentive payments to
17 owners of qualified desalination facilities producing
18 potable water from source waters ranging from
19 1,000 to 35,000 milligrams per liter total dissolved
20 solids or more. The payment shall range from 30
21 cents per 1,000 gallons of potable water produced
22 for any facility that can demonstrate a savings of
23 .25 kilowatt hours per gallon to 90 cents per 1,000
24 gallons of potable water produced for any facility
25 that can demonstrate a savings of 4.75 kilowatt

1 hours per gallon from a benchmark for energy con-
2 sumption by such facilities that ranges along a lin-
3 ear scale from 1.8 kilowatt hours per gallon for fa-
4 cilities utilizing source water of 1,000 milligrams per
5 liter total dissolved solids to 14 kilowatt hours per
6 gallon for facilities utilizing source water of 35,000
7 milligrams per liter total dissolved solids or more.

8 (3) ADJUSTMENTS.—In the case of any pay-
9 ment made to any person under this subsection in
10 a fiscal year beginning after calendar year 2008, the
11 amount of such payment shall be adjusted by multi-
12 plying such amount by the inflation adjustment fac-
13 tor (determined under section 45K(d)(2) of the In-
14 ternal Revenue Code of 1986 by substituting “2008”
15 for “1979” in subparagraph (B) thereof) for the cal-
16 endar year in which the payment is made.

17 (e) APPLICATION.—The Secretary may not make a
18 grant to the owner or operator of a qualified desalination
19 facility under this section unless the facility submits an
20 application to the Secretary in such form, at such time,
21 and containing such information and assurances as the
22 Secretary may require. Further, as a part of the applica-
23 tion the applicant shall provide a written assurance to the
24 Secretary that the financial benefit of any incentive pay-

1 ments received by the applicant will be utilized for the ben-
2 efit of the rate payers.

3 (f) LIMITATION.—In any fiscal year not more than
4 60 percent of the funds made available by the Secretary
5 under this section shall be made available to the owners
6 or operators of qualified desalination facilities that obtain
7 source water directly from the sea, an estuary, or from
8 in-bank extraction wells that are of seawater origin.

9 (g) PRIORITY.—In awarding incentive payments
10 under this section, the Secretary shall give priority to any
11 application for a project that—

12 (1) uses innovative technologies to reduce the
13 energy demand of the project;

14 (2) uses renewable energy supplies in the desali-
15 nation process;

16 (3) provides regional water supply benefits;

17 (4) provides a secure source of new water sup-
18 plies for national defense activities;

19 (5) reduces the threat of a water supply disrup-
20 tion as a result of a natural disaster or acts of ter-
21 rorism;

22 (6) uses technologies that minimize the damage
23 to marine life; or

24 (7) provides significant water quality benefits.

1 (h) BUDGET ACT COMPLIANCE.—The authority pro-
2 vided by this section may be exercised only in such
3 amounts or to such extent as is provided in advance in
4 appropriations Acts.

5 (i) AUTHORIZATION OF APPROPRIATIONS.—There
6 are authorized to be appropriated to the Secretary
7 \$200,000,000 to carry out this section for the period en-
8 compassing fiscal years 2008 through 2018.

